GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:3212
ANSWERED ON:12.03.2003
MAINTENANCE OF SEPARATE ACCOUNTS
RAMESH CHENNITHALA

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Telecom Regulatory Authority of India has directed telephone companies to maintain separate accounts for different services they provide;

(b) if so, the details thereof; and

(c) the steps taken by TRAI to ensure prevention of cross-subsidisation in services provided by telephone companies?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRIMATI S MAHAJAN)

(a) Yes, Sir.

(b) The Government has notified `Telecom Regulatory Authority of India, Service Providers (Maintenance of Books of Accounts and other Documents) Rules, 2002` under which telecom service providers are required to maintain books of accounts to reflect service-wise operational expenses, revenues and fixed assets.

(c) In accordance with the provisions of Telecommunication Tariff Order (TTO), 1999, all operators are required to report tariffs to the Telecom Regulatory Authority of India (TRAI). This requirement provides an opportunity to TRAI to monitor the tariffs with respect to cross subsidization, predatory pricing etc. TRAI intervenes on tariffs either suo moto or on the basis of a reference to it from any affected party on specified grounds including cross subsidization. Further, TRAIhas also formulated a System on Accounting Separation (SAS), which would assist in identifying cross subsidization practices.